SEVENTH REPORT

STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION

(1994-95)

(TENTH LOK SABHA)

MINISTRY OF FOOD—ANNUAL REPORT

(1992-93)

[Action Taken by Government on the Recommendations contained in the Second Report of Standing Committee on Food, Civil Supplies & Public Distribution on the Annual Report (1992-93) of Ministry of Food]

Presented to Lok Sabha on............... 20 [illegible] 1994
Laid in Rajya Sabha on.....................

LOK SABHA SECRETARIAT
NEW DELHI

October, 1994/Asvina, 1916 (Saka)

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2.	2	1.9	7	Furute	Future
3.	4	1.12	3	farmers	help farmers
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COMPOSITION OF STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION

(1994-95)

Chairman

Shri Shyam Bihari Misra

Members

Lok Sabha

2. Shri B.M. Mujahid
3. Shri G. Devaraya Naik
4. Shri N.J. Rathava
5. Shri Avtar Singh Bhadana
6. Dr. (Smt.) Padma
7. Shri A. Jayamohan
8. Shri Anandagajapati Raju Poosapati
9. Shri Pawan Diwan
10. Shri V. Krishna Rao
11. Shri Bijoy Krishna Handique
12. Shri Gopi Nath Gajapathi

*13. Shri Lakshman Singh
*14. Shri K.J.S.P. Reddy

15. Shri Naresh Kumar Baliyan
16. Shri D.J. Tandel
17. Dr. Ramkrishna Kusmaria
18. Shri Chhotey Lal
19. Shri Pankaj Chaudhari
20. Shri Kabindra Purkayastha
21. Prof. Ram Kapse
22. Shri Lal Babu Rai
23. Shri Shashi Prakash
24. Shri Ram Awadh
25. Shri Chhote Singh Yadav
26. Shri Syed Masudal Hossain
27. Shri Ramchandra Marotrao Ghangare
28. Shri Manoranjan Sur
29. Dr. (Smt.) K.S. Soundaram
30. Shri Birsingh Mahato

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* Nominated to the Committee w.e.f. 22.8.94.

Rajya Sabha

31. Shri Sunder Singh Bhandari
** 32. Shri Nagmani
33. Shri B.V. Abdulla Koya
34. Shri Sudhir Ranjan Majumdar
35. Shri Tara Charan Majumdar
36. Shri Moolchand Meena
37. Shri Venod Sharma
***38. Shri G.Y. Krishna
***39. Shri Ghufran Azam
40. Shri Jagannath Singh
41. Shri Tindivanam G. Venkatraman
42. Shri Ramendra Kumar Yadav 'Ravi'
43. Shri Kanaksinh Mohansinh Mangrola
44. Smt. Chandra Kala Pandey
45. Smt. Vyjayantimala Bali

SECRETARIAT

1. Shri S.C. Gupta — *Joint Secretary*
2. Shri T.R. Sharma — *Deputy Secretary*
3. Shri K.L. Anand — *Under Secretary*

** Nominated to the Committee w.e.f. 25.8.1994

*** Nominated to the Committee w.e.f. 16.11.1994

INTRODUCTION

I, the Chairman of the Food, Civil Supplies & Public Distribution Committee having been authorised by the Committee to submit the Report on their behalf, present this Seventh Report on action taken by Government on the recommendations contained in the Second Report of Committee (Tenth Lok Sabha) on Annual Report of the Ministry of Food.

2. The Second Report was presented to Lok Sabha on 11 December, 1993 and laid in Rajya Sabha on 10 December, 1993. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 17 August, 1994. The Draft Report was considered and adopted by the Standing Committee on Food, Civil Supplies & Public Distribution (1994-95) at their sitting held on 21 September, 1994.

3. An analysis of action taken by Government on the recommendations contained in the Second Report of Standing Committee on Food, Civil Supplies and Public Distribution (Tenth Lok Sabha) is given in Appendix-II.

NEW DELHI;
October 20, 1994
Asvina 28, 1916 (Saka)

SHYAM BIHARI MISRA,
Chairman,
Standing Committee on Food,
Civil Supplies & Public Distribution.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the action taken by Government contained in their Second Report (Tenth Lok Sabha) on Annual Report of Ministry of Food.

1.2 The Report was presented to Lok Sabha on 11th December, 1993 and laid on the Table of Rajya Sabha on 10th December, 1993. It contained 13 observations/recommendations.

1.3 Action Taken Notes in respect of all the 13 observations/recommendations contained in the Report have been received and have been categorised as follows:—

(i) Recommendations/Observations which have been accepted by the Government.
Sl. Nos. 64, 67, 72, 73.
(Total 4, .Chapter II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government reply.
Sl. Nos. 66, 69, 75, 76.
(Total 4, Chapter III)

(iii) Recommendations/Observations in respect of which the Government replies have not been accepted by the Committee.
Sl. Nos. 65, 68, 70, 74.
(Total 4, Chapter IV)

(iv) Recommendations/Observations in respect of which replies of the Government are awaited.
Sl. No. 71
(Total 1, Chapter V)

1.4 The Committee need hardly emphasise that utmost importance should be given to the implementation of recommendations accepted by the Government. In cases where it is not possible for the Government to implement the recommendations in their letter and spirit for any reasons, the matter should be reported to the Committee in time with reasons for non-implementations.

1.5 The Committee desire that final reply in respect of the recommendation contained in Chapter V of the Report for which only interim reply has been given should be furnished to the Committee expeditiously.

1.6 The Committee will now deal with action taken by the Government on some of the recommendations.

Announcement of Support Price for Rabi & Kharif Crops before sowing Season

(Recommendation No. 64)

1.7 While emphasising the need to announce support price for Rabi and Kharif crops before the commencement of sowing season, the Committee had observed:

> "The support price for Kharif and Rabi have never been announced in time resulting in less procurement of foodgrains. The Committee was informed that the support price used to be announced at the time of sowing of grains but this practice was changed. The Committee have not been informed of the reasons for this change of practice. The Committee are of the view that if the support prices are announced at the time of sowing, it will provide better incentives to the farmers. Although the Ministry of Food has not direct role to play in the announcement of support prices, the Committee would like the Ministry to take up the matter with the Ministry of Agriculture with a view to ensure that the support prices are always announced on the dates recommended by CACP.

1.8 The Ministry of Food in their reply has stated that the matter was taken up with the Ministry of Agriculture who have intimated as under:—

> "It is the endeavour of the Government to announce minimum support prices for major agricultural commodities before the sowing season to enable the farmers to take decision on the investments to be made by them. There has been no change in this respect. The support prices for Kharif and Rabi crops have, by and large, been announced well before the commencement of procurement season. The announcement of minimum support prices has been, in some cases, delayed due to unavoidable reasons like late receipt of CACP's report, delay in receipt of comments of State Governments and concerned Central Ministries etc. At times, the Govt. asks the CACP for Supplementary Report in view of the important developments taking place after submission of the Report. The price policy for 1993-94 Rabi and Kharif and 1994-95 Rabi crops was announced before the sowing of these crops".

1.9 The Committee note that due to certain reasons the announcement of minimum support prices was delayed in some cases in the past. The Committee are of the view that the delay in announcement of minimum support prices of Kharif and Rabi crops before sowing season works as an inhibiting factor for the farmers in taking crucial investment decisions in time. The Committee, therefore, reiterate their earlier recommendation and desire that the Govt. should in furute ensure that the minimum support prices are invariably announced before the sowing season. Needless to say that the whole exercise should be started well in advance to avoid delay and the defaulting agencies reminded in time.

Storage capacity at Purchase Centres and Credit Facilities to Farmers

(Recommendation No. 65)

1.10 For providing storage facilities at purchase centres by FCI and extension of credit facilities to farmers against the stock stored by them, the Committee had observed:—

> "One of the reasons for less storage of foodgrains by farmers is that they can not preserve the stocks for a long time as they do not have adequate storage facility. In order to avoid this, the Committee recommend that FCI or some other agency should provide storage space near every purchase centre for which farmers can pay nominal rent to the Government and can keep their stocks & sell whenever they so want. Efforts should also be made to extend credit to the farmers againt the stock stored by them in FCI storage space godowns".

1.11 The Ministry in their Action Taken Note has stated as follows:

> "As regards the suggestion that FCI or some other agency should provide storage space to farmers at nominal rent near every purchase centre where they can keep their stocks and sell them whenever they want it may be mentioned that the FCI constructs storage capacity at nodal points to facilitate storage and distribution of procured foodgrains. It constructs godown for its own use and not for use as warehouses by other agencies/individuals. In fact the Corporation's owned capacity is not adequate to hold the foodgrains which it procures and distributes. In order to fill in this gap, the Corporation hires capacities from other agencies like the CWC, SWCs, State Governments and private parties. Therefore, the Corporation cannot provide storage facilities to farmers for storage of their foodgrains.
>
> The Ministry of Rural Development had Centrally sponsored scheme under which assistance used to be given to State Governments/UTs in the form of subsidy for construction of rural godowns. The objectives of this scheme was to increase the network of rural godowns primarily to take care of the storage requirements of agricultural producers, particularly small and medium, farmers, and thereby prevent distress sale by farmers immediately after the harvest. This scheme was transferred to State Governments/UTs w.e.f. 1.4.1992. The capacity available presently under this scheme is in the neighbourhood of 2.1 million tonnes. Apart from this, the National Cooperative Development Corporation also provides assistance for construction of scientific godowns by primary agricultural cooperatives working at village level and marketing cooperatives functioning at Mandi, district, regional, State and national levels in

APPENDIX II

(*Vide* Introduction of the Report)

Analysis of Action Taken by Government on the recommendation contained in the Second Report of Standing Committee on Food, Civil Supplies & Public Distribution
(Tenth Lok Sabha)

I	Total number of Recommendations	13
II	Recommendations/Observations which have been accepted by Government (Sl. No. 64, 67, 72 and 73)	
	Total	4
	Percentage	30.77%
III	Recommendations/Observations which the Committee do not desire to pursue in view of Government replies. (Sl. No. 66, 69, 75 and 76)	
	Total	4
	Percentage	30.77%
IV	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee. (Sl. No. 65, 68, 70 and 74)	
	Total	4
	Percentage	30.77%
V	Recommendations/Observations in respect of which final replies of Government are still awaited. (Sl. No. 71)	
	Total	1
	Percentage	7.69%